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BEFORE THE  
FEDERAL ELECTION COMMISSION

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OFFICE OF GENERAL

DOCK letter of:

General Electric Company

and

Penske Corporation

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MUR 6455

FEC MAIL CENTER

**GENERAL ELECTRIC'S RESPONSE TO AMENDMENT TO COMPLAINT**

By letter dated July 18, 2011, the Federal Election Commission (the "FEC" or "Commission") notified General Electric Company ("GE"), General Electric Company PAC ("GEPAC") and Marie Talwar, as GEPAC treasurer, (hereinafter collectively referred to as "GE") that Peter J. Vroom, ("Vroom") had filed "additional information" in support of a complaint he had previously filed with the FEC in February 2011, alleging violations of the Federal Election Campaign Act of 1971, as amended ("FECA"). As discussed below, this new filing provides no additional support for his complaint and merely consists of a few new irrelevant and unsupported allegations peppered in a rehash of previous arguments. Given Mr. Vroom's history, we urge the FEC to resolve this matter by finding no reason to believe a violation has occurred.

**I. Mr. Vroom's Latest Filing is Part of a Pattern of Baseless Claims He Has Made against GE.**

The original complaint in this matter is that GE and Penske Truck Leasing Co., L.P. are affiliated under FECA, and therefore GEPAC and Penske PAC made an excessive contribution to Representative James Gerlach. Since the FEC ruled in Advisory Opinion 2009-18 that GE and Penske were disaffiliated as of March 2009, prior to the contribution, Mr. Vroom argued that Penske Truck Leasing Co., L.P. misled the Commission in its Advisory Opinion Request and that the FEC did not adequately review or understand the documents with which it was provided.<sup>1</sup>

<sup>1</sup> The Advisory Opinion Request was submitted by Penske Truck Leasing Co., L.P. GE did not participate in the request.

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GE's April 4, 2011, response to the original complaint demonstrated that each of Mr. Vroom's allegations was without a basis in fact and/or was irrelevant as a matter of law, and that his complaint was based on his disagreement with the FEC's ruling in AO 2009-18. We also noted that it appeared Mr. Vroom's belief that GE was in part responsible for his termination from his position as President and CEO of the Truck Renting and Leasing Association ("TRALA") in July 2009 was the true motive behind his complaint.

Mr. Vroom's new filing confirms this latter motivation. To put this matter in its proper context, this complaint is just one of a number of baseless attacks Mr. Vroom has launched before other federal agencies, as well as in state and federal court, in reaction to his dismissal from TRALA. In addition to this complaint before the FEC, Mr. Vroom also has filed the following actions against GE:<sup>2</sup>

- A Sarbanes-Oxley whistleblower complaint with OSHA;
- A demand for arbitration with the American Arbitration Association, which he then sought to stay;
- A complaint in the federal court for the Eastern District of Virginia, which was dismissed on the grounds Mr. Vroom's claims were subject to the arbitration he sought to stay;
- An action in Virginia state court, the dismissal of which he improperly attempted to circumvent by filing an action in the Eastern District of Virginia;
- A complaint with the Office of Bar Counsel of the District of Columbia Bar against an attorney who had advised TRALA;
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- A complaint with the IRS against TRALA and several individual members of the TRALA board and officers.

To the best of our knowledge, not one of these matters has succeeded. In fact, Mr. Vroom's actions led to an extraordinarily blunt admonishment from United States District Court Judge Liam O'Grady at the conclusion of a hearing that took place on January 28, 2011, in *Vroom v. General Electric, Inc.*, (E.D. Va. 2011) (No. 1:10-cv-1250).<sup>3</sup> Although we included the transcript of this hearing in GE's response to the complaint, Mr. Vroom's insistence on

<sup>2</sup> We referenced these actions in GE's *Response to Complaint* in MUR 6455, filed April 4, 2011, p. 2.

<sup>3</sup> The Vroom complaint the FEC eventually accepted was filed in January 2011. However, it is clear from Mr. Vroom's statements in that complaint that his first failed efforts to file with the FEC already had taken place prior to the hearing before Judge O'Grady, further showing this action is part of a larger effort.

continuing his attacks merits a closer reflection on what Judge O'Grady had to say. Judge O'Grady saw through Mr. Vroom's unsubstantiated allegations as untethered to the facts and law, as should the Commission:

The Court: And I am astonished at what I have heard. I mean, there isn't a basis supplied for this chain of circumstances that you have identified. This is one of the most extraordinary cases of taking leaps and bounds from A to B to C to D to E without a bit of support other than your own conjecture. And I take you at your word that you could provide further detail, and I understand the notice requirements of pleading, but under Twombly and Iqbal there is no support at this stage for the Sarbanes-Oxley claims.

\* \* \*

I am going to dismiss the complaint in its entirety. I am going to deny your motion to amend the complaint that you have filed I guess yesterday to be heard next week.

I am going to deny at this stage without prejudice, as I must, and allow you to consider whether to refile it. I will give you 30 days to do that.

And I am going to hold any motion for sanctions in abeyance to see what you do with any amended complaint. All I see right now is a borderline bad faith attempt to cure what Mr. Vroom believes to have been an employment action which was not correct.

And the suits with the IRS and the other suits are evidence of that. And as far as I can tell right now, that's what I see in this action. You can try and convince me otherwise through an amended complaint which does not contain any of the actions that should be handled by the AAA. But if you believe there is other actions outside of the arbitration which you have jurisdiction for a federal action, I'll consider them at that time.

But be mindful that what you do in the future is going to be a consideration as to whether a motion for sanctions is considered and ordered.

So, I will enter an order dismissing the action in its entirety. And I hope that you will consider very carefully, Mr. Martin, what I have said. And, Mr. Vroom, you as well will consider what I have said. You have ignored long-standing principles of law in not going before the arbitration which you yourself initiated. You have ignored the rulings of the Circuit Court and the Rooker-Feldman doctrine.

You have, in arguing the motions, gone beyond zealous representation in, at least in relation as to whether the DFA had been fully argued or not when the actual

documents clearly reflect that they were, and Judge Kemler considered them and correctly denied the reconsideration motion.

So, I will enter an order and you think long and hard about whether to continue any of this action in federal court.

Transcript of Hearing on Motions, January 28, 2011, pp. 20-23. Emphasis added. (The full transcript can be found at Attachment 1 to GE's Response to Complaint.)

Not surprisingly, even though Mr. Vroom had apparently told the court he could provide "further detail," he did not amend his complaint in the Eastern District of Virginia and on May 23, 2011, Judge O'Grady dismissed the action with prejudice. Mr. Vroom, however, was not finished and after the deadline for amending his complaint in court had passed, he filed his supplement with the FEC. It is within this context that the Commission must view Mr. Vroom's new allegations here -- they are nothing more than unsubstantiated musings of a person with an axe to grind against GE.

## **II. Mr. Vroom's Supplement Consists of Previously Made Allegations and Unsupported Conjecture, All of Which are Irrelevant.**

Mr. Vroom's original FEC complaint failed even to allege a violation of FECA and therefore required the FEC's guidance to add a possible violation. The new supplement, still framed as an attack on the FEC's advisory opinion, adds nothing credible or relevant to the underlying factual allegations. In the end, it does not undermine the FEC's determination that GEPAC and Penske PAC are no longer affiliated, nor provide reason to believe a violation has occurred.

To begin, the new supplement provides no new evidentiary support nor real details regarding the factual allegations. For example, under the heading, "GE Continues to Control Penske Truck Leasing's Operations and Finances," Vroom claims that Penske's statement in the Advisory Opinion Request that GE was not involved in the management decisions and regular operations of the Penske Truck Leasing Joint Venture "is completely contradictory with my own personal experiences resulting from numerous meetings, phone conversations and email exchanges with Penske's CEO, Brian Hard, Penske Sr. V.P. and General Counsel, Mike Duff, and Penske's former V.P., Government Relations, Jim Rosen." He further alleges that "there was a great deal of chaffing and unhappiness expressed to me by Penske's senior executives over the

dominant role played by GE in Penske Truck leasing's daily operations."<sup>4</sup> Likewise, he challenges the claim that Penske PAC and GEPAC did not coordinate contributions by alleging that he would "sometimes request Penske's assistance in providing campaign contributions for Members of Congress that our industry wished to support. In some cases, these contributions were then coordinated and/or procured through GEPAC."

Despite the claim of personal knowledge of these events, however, Mr. Vroom provides no specific evidence to support his allegations, no copies of emails, notes of meetings nor any other documentation. He does not even attempt to specify when and where any of these discussions took place or which contributions were coordinated with GEPAC. This lack of detail makes it impossible to respond to the underlying accusations. Moreover, it makes it impossible to assess the relevance of the allegations, even if they were true.<sup>5</sup>

Immediately, with regard to most of the allegations, Mr. Vroom fails to provide when the alleged activity occurred. Whether any given allegation could even affect affiliation very much depends on when it occurred.<sup>6</sup> It can be assumed that Mr. Vroom failed to specify a time because the acts, conversations and emails in which he claims personal involvement took place prior to his termination from TRALA on July 8, 2009. That was less than three weeks after the request for an Advisory Opinion was filed and about three weeks prior to the issuance of the Advisory Opinion declaring that GEPAC and Penske PAC were disaffiliated. Therefore, Mr. Vroom was not at TRALA to observe any activity that took place after the FEC's ruling. Thus, it is hard to give any credibility to Mr. Vroom's claim filed two years after he was terminated that "GE Continues to Control Penske Truck Leading's Operations and Finances."

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<sup>4</sup> However Mr. Vroom defines "chaffing and unhappiness," it is clearly a subjective standard that has yet to find its way into the FEC's affiliation criteria.

<sup>5</sup> For example, while there are restrictions on the political activity of trade associations, it is not illegal for a trade association to endorse candidates to its members.

<sup>6</sup> It would be surprising if the two PACs had not discussed contributions prior to the point of disaffiliation time since they shared a contribution limit and had to avoid making excessive contributions.

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As with the original complaint, Mr. Vroom's supplement also complains that the FEC did not have the relevant facts about the ties between GE and Penske. However, since he must acknowledge that the Advisory Opinion Request specifically noted overlapping officers, he appears to be claiming the problem is that the names of the persons were not provided or could only be found at page 131 of the exhibits to the Advisory Opinion Request, suggesting that, even if the names were relevant, the FEC is incapable of examining the exhibits provided with a request. Likewise, he once again alleges there were insufficient details provided about the funding of Penske by GE. But, as we showed in the response to the complaint, a review of the Advisory Opinion Request and the Opinion show that the financing arrangement was discussed in detail. The fact that Mr. Vroom tries to characterize the funding in different ways does not undermine the reality that the FEC was fully aware of the relevant facts pertaining to the funding arrangements.

This pattern is repeated over and over again, with Mr. Vroom challenging the clarity of the facts in the request for an opinion and the FEC's analyses, while relying on nothing more than conjecture and purported "facts" that are bereft of any evidentiary support..

### **III. The FEC Should Find No Reason to Believe a Violation Has Occurred and Dismiss this Matter.**

Mr. Vroom's complaint and supplement is nothing more than a misguided attempt to challenge an FEC Advisory Opinion with which Mr. Vroom disagrees. As such, it clearly fails to provide a basis for the FEC to find reason to believe GE cannot rely on the Opinion, as allowed by law, or that it violated FECA in so doing. As shown here and in the response to the complaint, this is just one part of Mr. Vroom's multifaceted attempt to attack GE because he believes GE was responsible for his termination from his job at a trade association.

Mr. Vroom's lack of support for his allegations is especially significant here since this is a supplement to a complaint and, according to Mr. Vroom, that original complaint had been redrafted to allege a violation of the law with guidance from the FEC.<sup>7</sup> At this point, given his

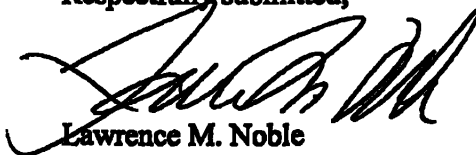
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<sup>7</sup>According to Mr Vroom's original complaint, his earlier attempt to file a complaint had been rejected by the FEC because it did not allege a violation of the FECA. However, with "information" provided by the FEC, he was able to refocus his filing to allege a violation of a law within the FEC's jurisdiction. We note this to underscore (cont'd)

several attempts to "get this right" and his claim to have personal knowledge of the facts giving rise to his allegations, one has a right to assume that he has put his best case forward. In that light, his failure to provide any evidence of that personal knowledge in the complaint or supplement must be seen as proving the lack of substance to his claims. Moreover, given the number of venues in which Mr. Vroom has unsuccessfully pursued claims apparently motivated by his termination as an employee of TRALA, along with his allegations of personal knowledge, and the striking similarity in how he has pursued those claims, it also is fair to assume he will continue to file the same baseless conjectures. Here, we ask the FEC to send a strong message to Mr. Vroom by the way of a quick and definitive finding of "no reason to believe" a violation has occurred.

DATED: August 9, 2011

Respectfully submitted,



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the fact that even though Mr. Vroom has been given several opportunities to perfect his arguments, he still falls very short of providing any support for his claims that GE has violated FECA.